

Child Welfare League of America, Inc.  
Florence Crittenton Association of America, Inc.  
Family Service Association of America, Inc.

# THE PLANNING COMMITTEE

44 East 23rd Street / New York, N.Y. 10010 / (212) 674-6100

TO: Board Presidents and Executives of  
All Member Agencies of CWLA/FCAA/FSAA

FROM: Mrs. Ben W. Heineman, CWLA President  
George D. Nickel, FSAA President  
Horton C. Rorick, FCAA President

DATE: February 22, 1974

We are transmitting herewith a report from Gardiner Johnson, Chairman of the Planning Committee, along with the By-Laws, the Agreement and Plan of Merger, and a letter dated February 14, 1974 from James Kerr, Chairman of the Board of United Way of America.

REPORT  
CNLA/FCAA/FSAA PLANNING COMMITTEE MEETING  
February 11, 1974  
from  
Gardiner Johnson, Chairman

The Planning Committee had anticipated that an additional meeting following the submission of the final Planning Committee report might be necessary because the three boards might require clarification of certain issues before the By-Laws and Agreement of Merger could be completed.

Such a meeting was requested by Family Service Association of America and scheduled for January 7. Because of illness it was necessary to postpone the meeting to February 11.

Unresolved issues were expressed in three recommendations passed at the November 15, 1973, FSAA Board meeting as follows:

1. A recommendation to the Planning Committee that all qualified persons shall be eligible for appointment as the new Executive Director of the new agency and further that in order to assist the Board or the Planning Committee, whichever it is that actually selects that Director, an outside executive recruiting firm be retained to screen the candidates and make recommendations to the hiring entity, whatever it may be.

After accepting the above concept the following motion was proposed and accepted unanimously:

MOTION: That the authority of the new Board shall be unlimited and shall not be restricted to the recommendations of a recruiting firm.

2. Recommendation to amend Article IV of the By-Laws to read: "That Board members who are employees (usually executives) of a voting member, a provisional member, or an affiliate be limited to one three-year term."

After discussion the following motion was made, seconded, and carried with one dissenting vote:

MOTION: That it is the sense of the Planning Committee that there be no distinction in term of office for an employee member and other members of the Board.

3. Recommendation that the Planning Committee consider as an agenda item the establishment of three field offices, the third one to be located in the middle part of the country.

After discussion the following motion was made, seconded, and defeated by a 6 to 5 vote:

MOTION: That the new organization establish three experimental field offices instead of two and that the third be established in the midwest.

The Agreement and Plan of Merger and the By-Laws were then discussed in detail with David G. Lubell, legal counsel to the committee, and these two documents are appended as amended. It should be noted that the first Board of Directors of the new organization will be selected from slates proposed by the three nationals as follows: 24 members each from Family Service Association of America and the Child Welfare League of America and 12 members from the Florence Crittenton Association of America, making a total of 60.

It should also be noted that on page 4, paragraph V (3) of the Agreement and Plan of Merger, the deadline date for acceptance has been listed as December 31, 1974. This date was chosen for legal purposes but the committee unanimously agreed that the membership should be unofficially notified that the merger conditions are expected to be met by September 1, 1974 or sooner.

In other action of the Committee, the following motions were made, seconded, and passed unanimously.

MOTION: That the initial Board, prior to the effective date of the merger, be empowered to hire an executive director, either temporary or permanent, for the merged organization; the director's function will be to plan for the operation of the new organization.

MOTION: That authority be vested in the new Board, either acting or permanent, to employ accountants and auditors as necessary.

MOTION: That the Planning Committee re-state and accept the original agreements concerning minority representation as stated in the July minutes of the Planning Committee.

MOTION: That a budget allowance be made for minority groups up to \$10,000 under the direct control of the new organization to insure minority participation and interaction.

MOTION: That the Planning Committee reiterates for the record a basic principle stated in its Report and expresses again its intent and expectation that the new national should strive to be keenly responsible and as accessible geographically as possible to its constituent members, consonant with the practical need to deploy its available staff and financial resources in a manner that best reconciles the competing needs for geographic accessibility of the national services on the one hand, with more specific expertise requirements by field or area of service on the other hand.

Initial experience in the first year or two with field office operations will be closely evaluated as an indication of how member agencies themselves view the services provided as one of the essential bases for determining what future directions and organizational plan would be most effective and feasible thereafter.

Three members representing the Board of Governors of United Way of America served as voting members of the Joint Study Committee and, at its final meeting on April 12, 1973, pledged the United Way's support in obtaining funds to help defray costs for the development of the new national.

In a May 9, 1973 letter from James R. Kerr, Chairman of the Board of Governors of United Way of America, he confirmed their support, stating in part: "We shall be glad to join with (the three nationals) in seeking foundation assistance for the financial needs of implementing the formation of the new organization."

Following discussions with the national executive of United Way, he assigned staff members to seek funds for support of the Planning Committee study as well as essential start-up costs of \$556,000.

In the Summary Report dated November 2, 1973, the Planning Committee unanimously recommended the creation of a new national to the three boards contingent on the \$556,000 for the one-time start-up costs being raised from outside sources.

Mr. Henry Weber attended the Planning Committee meeting on February 11 as a representative of the United Way of America and gave a progress report on efforts by the United Way to raise these start-up costs. Mr. Weber explained that although several foundations and corporations had been contacted for commitment of funds conditional on the merger taking place, no pledges had been secured. He stated that so far they had been unable to secure pledges for funding. One foundation contacted was unwilling to proceed until the new board had been formed and the new executive director appointed.

Following Mr. Weber's report the committee, after extensive discussion, reiterated its conviction that the start-up costs were essential to the success of the program of the new national and unanimously passed the following motion.

MOTION: That the Planning Committee, in a letter from the chairman, inform the United Way of America that unless the Planning Committee has in hand, in writing, by March 1, 1974, a guarantee that they will have \$556,000 start-up costs, the plan will be abandoned.

This motion was not made part of the Agreement of Merger since the effective date of the above motion precedes the effective date of the Agreement of Merger.

On February 15 a letter was received from the Chairman of the Board of the United Way in response to the Planning Committee letter to him. A copy of this letter is appended to this report for your information.



**United Way**  
OF AMERICA

February 14, 1974

Mr. Gardiner Johnson  
Chairman  
The Planning Committee  
44 East 23 Street  
New York, New York 10010

Dear Mr. Johnson:

Thank you for your letter of February 12 and for the appreciation of the Planning Committee in the efforts of our volunteer Board members and professional staff to assist in the merger of Child Welfare League of America, Inc., Florence Crittenton Association of America, Inc. and Family Service Association of America, Inc.

We continue to believe that a full and complete merger of the three agencies into a single incorporated organization is the only feasible alternative.

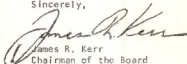
We are knowledgeable of the difficulties which are preventing merger at this time.

Funding sources indicate to us that they are unwilling to consider financing a merger until such time as a new Board is formed, assurances that a competent executive will be chosen, and major legal obstacles surmounted.

Therefore, the Executive Committee, at its meeting today, has asked me to advise you that United Way of America will assist your Board members and professional staff in raising the necessary finances for the merger at such time when the critical organizational issues of volunteer and professional management of the merged agency have been resolved by you and outstanding legal requirements have been met.

With best wishes and success in your continued efforts.

Sincerely,



James R. Kerr  
Chairman of the Board

JRK/ml

801 N. Fairfax Street, Alexandria, Virginia 22314, (TWX: 710-832-0617), 703-836-7100